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C O N F I D E N T I A L AIT TAIPEI 000951

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TAGS: PREL PGOV ASEC XR TW

SUBJECT: TAIWAN'S NEW DIPLOMATIC STRATEGY IN THE MIDDLE EAST

REF: A. TAIPEI 0191
1B. TAIPEI 0225

Classified By: AIT Director Stephen Young, Reason 1.4 (b/d)

11. (C) Summary: Taiwan has been quietly pursuing a diplomatic strategy that focuses on expanding bilateral ties in the Middle East and North Africa. In the last year, Taiwan made progress with Libya, the UAE, and Saudi Arabia and is working to expand ties with Israel. Taipei has also shown a willingness to exercise more control in publicizing its foreign policy initiatives in order to avoid PRC preemptive moves or subsequent retaliation. New Foreign Minister James Huang, with close ties to President Chen Shui-bian, has been the primary driver of this strategy and has called for Taiwan to expand its outreach to the Middle East. The challenge will be whether President Chen can continue pursuing discreet diplomacy and resist the impulse to publicize his foreign policy gains for domestic political gain. End summary.

12. (C) This is the first of two cables analyzing Taiwan's foreign policy in the Middle East. The first cable examines the diplomatic success Taiwan has achieved over the last year and Taipei's willingness to pursue discreet ties to avoid PRC pressure. The second cable will discuss the PRC's growing influence in the Middle East and the challenges Taipei faces in its efforts to counter Beijing. The cable will also report analyses of Taiwan's foreign policy by Middle Eastern diplomats resident in Taipei.

Libya: A Chen Visit?

13. (C) Taiwan's most recent diplomatic overture involved

Libya and the visit of Muammar Qadhafi's son, Saif al-Islam, to Taipei in January 2006 (ref A). Immediately afterwards, Taiwan Presidential Office officials announced that President Chen had been invited to visit Libya and that both governments will open representative offices and cooperate in the fields of oil exploration, technology, trade, and military affairs. Libyan Foreign Ministry officials, however, denied that an invitation had been extended and there are still unresolved questions over Saif al-Islam's authority to act on behalf of Tripoli (ref B). Despite these uncertainties, Taiwan officials considered the visit a success, which involved weeks of secret negotiations -- Saif al-Islam's visit was not revealed to the press until after he extended an invitation to Chen to visit Tripoli.

UAE: Transit Surprise

¶4. (C) Earlier, President Chen scored a surprise diplomatic victory in September 2005 with his visit to the UAE on the way back from a trip to Central America. The visit was ironed out in secret by former Presidential Office Deputy-Secretary General, now Foreign Minister James Huang. Huang told AIT that he made secret trips to Abu Dhabi in August and September to make final arrangements. Several joint economic initiatives were signed including possible military cooperation. The UAE agreed to buy a 20 percent stake in Taiwan's China Petroleum Company (CPC) while China Airlines signed a deal to organize a new civilian airline for the UAE. UAE officials plan to invest in Taiwan's science and technology sectors and were drawn to Taiwan by Taipei's technical expertise. According to Huang, the UAE had been dissatisfied with PRC business practices, including Beijing's eagerness to do business with Iran.

Saudi Arabia: High-Level Visits

¶5. (C) Taiwan also achieved diplomatic success with high-level visits and cooperation with Saudi Arabia. Former Foreign Minister Mark Chen traveled to Saudi Arabia in 2005 at least two and possibly three times, including for the funeral of King Fahd, which was attended by many world leaders. Taiwan has maintained close ties with Saudi Arabia and is particularly discreet regarding its relationship with Riyadh. Israeli Representative in Taipei Ruth Kahanoff and Turkish Representative Burak Gursel both told AIT that Taiwan enjoys excellent ties with Saudi Arabia and noted that Taiwan maintains two trade offices there (Riyadh and Jeddah). They also pointed out that Riyadh is Taiwan's largest supplier of oil and has many investments on the island.

Israel: Expanding Ties

¶6. (C) Taiwan is also seeking closer ties with Israel. Ministry of Foreign Affairs (MOFA) Middle Eastern Affairs Section Chief Sami Leu told AIT that Taiwan enjoys a good relationship with Tel Aviv. He noted that Taipei carefully maintains a low profile to ensure Israeli ties are not jeopardized. Israel's Kahanoff told AIT that, despite Israel's one China policy, Tel Aviv permits high-level political visits by Taiwan officials and in 2004, Israel abstained in the vote on Taiwan's bid for observership status in the World Health Assembly (WHA). She reported that Taiwan has stepped up efforts to improve ties in 2005 and told AIT that Taipei understands it must maintain a low profile with Tel Aviv. Both Kahanoff and MOFA's Leu told AIT that many Taiwan officials admire Israel's strong defense model and are pursuing improved political and security ties.

James Huang's Quiet Diplomacy

¶7. (C) The primary factor behind Taiwan's recent diplomatic success has been Taipei's willingness to pursue expanded bilateral ties discreetly. Foreign Minister James Huang has been a key player in Taipei's focus on the Middle East and is

the main driver behind Taiwan's discreet foreign policy strategy. Before being named Foreign Minister in January 2006, he was the Presidential Office Deputy Secretary-General. Huang is known for his confidentiality

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and his practice of handling foreign policy in secret to avoid drawing the ire of Beijing. After his promotion to Foreign Minister, Huang announced that MOFA will increasingly focus on the Middle East and North Africa because there are many opportunities for Taiwan to expand its "international space" and influence in these regions.

Comment: But Can Chen Remain Quiet?

¶8. (C) While transit visits and economic cooperation may seem minor, Taiwan considers such events to be vital, particularly as Taiwan's international influence is reduced and the PRC expands its economic and political power. Taiwan has shown that discretion can bring results -- the UAE visit succeeded only because it was kept secret. In the past, Taiwan's foreign policy overtures were sabotaged by the Chen administration's penchant for publicizing foreign policy initiatives for short-term domestic political gain. The biggest challenge to Taiwan efforts for a more private diplomacy is: can Chen remain quiet and resist the temptation to publicize his foreign policy successes? It does not appear so. On March 14, an "unnamed Presidential Office source" leaked details of Chen's plans for a "secret" visit to Libya in May to the Apple Daily, which could derail any hopes for a Libya visit.

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